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BIENNIAL BUDGET ESTIMATES FOR ADMINISTRATIVE AND PROGRAMME SUPPORT SERVICES FOR THE 1992-1993 BIENNIUM AND REVISED BUDGET ESTIMATES FOR THE 1990-1991 BIENNIUM

Report of the Advisory Committee on Administrative and Budgetary Questions

1. In accordance with Regulation 9.3 of the Financial Regulations and Rules of the United Nations Population Fund (UNFPA), the Advisory Committee on Administrative and Budgetary Questions has considered the Executive Director's report on the budget estimates for the administrative and programme support services (APSS) for the 1992-1993 biennium and the revised budget estimates for the 1990-1991 biennium (DP/1991/36). Additionally, the Committee considered the document on UNFPA's Reserve for Field Accommodation (DP/1991/36/Add.1). The Committee also had before it the report of the Executive Director on the Work Plan for 1992-1995 and request for approval authority (DP/1991/30), and the report of the Executive Director on UNFPA publications (DP/1991/37).

2. During its consideration of the budget estimates, the Advisory Committee met with the Executive Director and her colleagues.

Format and presentation

3. With regard to the format and presentation of the document, the Advisory Committee recalls the recommendation it made in its report on the UNFPA budget estimates for the 1990-1991 biennium. The Committee notes that while the narratives appearing in part C of each table have been considerably shortened

or eliminated, the main text in paragraphs 26 to 51 should be merged with the summary (paras. 57 to 79), and to some extent with the summary and overview in paragraphs 3 to 17, to provide more clarity and greater understanding of the document. References to the corresponding tables throughout the text itself, rather than in certain sections only, would also simplify the presentation.

Revised estimates for the 1990-1991 biennium

4. The Committee notes that the revised estimates for the 1990-1991 biennium show an increase of $6.6 million over the total approved appropriations of $83.5 million (gross), $79 million (net). The revised 1990-1991 requirements are thus set at $90.1 million gross or $85.6 million net.

5. As indicated in paragraph 18, the Executive Director estimates an increase of $4.5 million for salaries and common staff costs. This is attributed, inter alia, to an increase, as of 1 July 1990, in salary benefits equivalent to 5 per cent, for Professional and higher categories, an expanded mobility/hardship allowance, increased assignment grants and rental subsidies, and a raising of the pension scale effective 1 November 1990. In addition, local salary structures were revised during 1990, and there was an increase in the international common staff costs at headquarters and in the field as a result of the wider implementation of the Fund's rotation policy.

6. While the Advisory Committee has no objection to those statutory increases resulting from specific decisions taken by the various legislative bodies or increases due to currency fluctuations, inflation or other unforeseen developments, the Committee reiterates its position that supplementary appropriations should not be requested in the middle of a biennium to expand existing activities.

7. As indicated in paragraph 19 of the budget document an increase of $0.4 million for travel for field offices (under programme IV) and of about $0.1 million for headquarters and Geneva (under programmes I, II and III) is projected. The Advisory Committee notes that the Executive Director proposes to offset the budget increases for travel in programmes I, II and III, by decreasing the permanent equipment component of the related programmes by a corresponding amount. However, the Committee notes that the additional cost of travel under programme IV has not been offset by any corresponding decrease. Consequently the Advisory Committee does not agree with the Executive Director's proposal for increasing the provision for travel under programme IV.

8. In view of the fact that the Executive Director proposes to establish the Reserve for Field Accommodation in the 1992-1993 biennium (paras. 37 and 38 below), the Committee does not believe that the proposed budgetary increases for rental and renovation of premises contained in paragraphs 20 and 21 should be charged to the 1990-1991 biennium. In addition, volume increases for the replacement of outdated telephone systems and installation of new fax machines ($0.1 million), replacement of furniture and equipment ($0.1 million), are also items that should not be charged to the 1990-1991 budget.

9. The Committee notes from paragraph 24 that an increase of $0.2 million is proposed for the provision of microcomputer equipment for the UNFPA field network and that the amount would be offset by a decrease of an equal amount approved for systems development contracts. This expenditure is being undertaken with a view to reaching a goal of one computer for each General Service staff and one for each 1.75 Professional staff. In this connection the Advisory Committee believes that acquisition of new computer equipment would no doubt impact positively on efficiency and productivity. The Committee intends to monitor progress in this regard vis-à-vis the staff situation. However, given the fact that the Executive Director is seeking an amount of approximately $2.2 million for office automation and management information systems for the 1992-1993 biennium, and in keeping with its views as reflected in paragraph 6 above, the Committee recommends against the expenditure of $0.2 million under the 1990-1991 biennium.

10. The Advisory Committee does not object to the proposed increase of $0.1 million for the reimbursements of costs and contributions which comprise $30,000 to meet UNFPA's contribution to the United Nations Child Care Centre for the biennium; $30,000 as UNFPA's contribution to the regular budget of the Administrative Committee on Coordination - Subcommittee on Nutrition (ACC-SCN); $56,000 as UNFPA's contribution to the Governing Council's Standing Committee for Programme Matters.

Proposed budget estimates for 1992-1993

11. As shown in table 1 of the budget document, the Fund projects total income and expenditure in 1992-1993 at $564 million which is 18.2 per cent higher than the corresponding 1990-1991 level of $477 million (DP/1989/41, table 1) and 10 per cent higher than the revised 1990-1991 level of $513 million.

12. The Fund's 1992-1993 estimate of total income comprises $550 million in general resources income, without any carryover income expected from the previous biennium "since it is estimated that the total resources available for expenditure in 1990-1991 will be fully utilized". Part of the general resources income would be set aside for the operational reserve ($13 million) and an amount of $5 million is proposed for the revolving fund for field accommodation (see paras. 37 and 38 below).

13. The Committee notes from paragraph 15 of the budget document and as per the work-plan for 1992-1995 (DP/1991/30) that UNFPA proposes to increase its operational reserve from $45 million in 1990-1991 to $58 million in 1992-1993. The Committee recalls that by decisions 81/7 III, paragraph 5, and decision 86/34 IV, paragraph 4, the Governing Council had authorized UNFPA to increase its operational reserve annually, to reach a level equivalent to 25 per cent of annual contributions by the middle of the 1990s. The Advisory Committee recommends that the Governing Council may wish to consider maintaining the level of the operational reserve at 20 per cent.

14. Of the Fund's corresponding total expenditure estimate of $564 million in 1992-1993, $104 million under general resources is for the APSS budget, which includes $56.5 million net for headquarters (after applying $6.5 million in credits) and $48.4 million for the field. The balance would cover $427.6 million in programme expenditures under general resources and $32 million in trust fund project expenditure and related support costs.

15. Table 1 of the budget document indicates that the 1992-1993 estimates of $110.9 million (gross), $104.4 million (net) are 22 per cent more than the revised estimates for 1990-1991 ($90.1 million gross or $85.6 million net). If the estimates are compared with the initial approved appropriation, the increase is 32 per cent. Total general resources income for the 1990-1991 biennium is shown as $482.1 million and as $532.0 million for 1992-1993, denoting an increase of 14.1 per cent between the bienniums. The Advisory Committee is concerned that whereas the rate of increase in expenditure is 22 per cent, the corresponding rate of increase of resources is only 14 per cent.

16. The Committee notes that volume and cost increases for the 1992-1993 biennium are shown as $5,785,600 and $15,088,100 respectively (table 2). From additional information provided by representatives of the Executive Director, the Committee notes that items such as overtime, temporary assistance and consultancy services have been included in "staff costs" for the purposes of calculating inflationary increases. The Committee believes that estimates for items like overtime, temporary assistance and consultancy services should be based on zero budgeting principle. Moreover, the Committee recalls that in its report (DP/1989/45) on the previous biennial budget it had commented as follows:

> ... if the UNFPA Administration were to apply modified vacancy turnover factors that would more closely accord with recent experience, and to adopt lower rates of inflationary increases at headquarters and in the field offices than assumed, the Fund's proposed APSS budget level would have been lower.

Office automation and management information strategy

17. The Committee notes from paragraphs 41 and 42 of the document that the 1990-1991 biennium was regarded by UNFPA as a development period for its Management Information Systems strategy. For the current biennium, the Fund's objectives in this regard include: (a) the integration of systems; (b) creation of a central database at headquarters; (c) establishment of electronic communication links with field offices; and (d) revision and upgrading of office automation standards at headquarters and in field offices. As shown in table 6, the Executive Director's proposal for office automation and management information systems amounts to approximately $2 million for the 1992-1993 biennium. The Advisory Committee's views on the the subject are in its report (DP/1989/45, para. 44). Accordingly the Committee recommends approval of the Executive Director's request.

Publications

18. The Advisory Committee has no objection to the Executive Director's proposals regarding the different sources of financing UNFPA publications (paras. 44 to 47), and recommends approval of $1.8 million to be charged to the APSS budget.

Training and staff development

19. The proposed estimate for staff training and career development (table 6.1) amounts to $1.3 million, comprising $1 million for the field and $0.3 million for headquarters, and representing an increase of $0.3 million over the previous biennium. The Advisory Committee notes the various positive factors with regard to staff training outlined in paragraphs 48 to 51 and recommends approval of the proposed cost estimates for the biennium.

Field office estimates for the 1992-1993 biennium (programme IV)

20. The UNFPA field office expenditures for 1992-1993 are summarized in paragraphs 72 to 79 and in table 5 of the document. The Executive Director presents her requirements for new posts at UNFPA field offices in paragraph 27 of the budget document. The estimates for the field offices, $48.4 million, are 31.2 per cent more than the 1990-1991 revised estimate of $36.9 million and 51.1 per cent compared with the initial approved appropriations.

21. The Executive Director proposes to establish eight international Professional posts in the 1992-1993 biennium. As stated in paragraph 27 of the document, six of the eight would be Country Director posts and two International Programme Officer posts. The Executive Director is also seeking approval to establish 89 new local posts, including 18 National Programme Officer posts and 71 General Service posts, comprising 20 administrative/programme assistant, 29 secretarial and clerical, and 22 driver and custodial posts. The Executive Director projects the total net cost of these new field service posts at approximately $4.4 million, after allowing for a vacancy factor of six man-months for local posts, to be included in the appropriation for programme IV of the APSS budget. The Advisory Committee has no objection to the establishment of these 97 posts for the UNFPA field offices.

Headquarters and Geneva office estimates for the 1992-1993 biennium (programmes I, II and III)

22. The Executive Director summarizes the headquarters and Geneva office expenditure estimates in paragraphs 59 to 71 and in table 4 of the document, while presenting her requirements for new posts at headquarters in paragraphs 28 to 40. The total estimates, $56.1 million (net), is 15.2 per cent more than the 1990-1991 revised estimate of $48.7 million and 19.4 per cent compared with the approved initial appropriations.

23. The Executive Director proposes, for the 1992-1993 biennium, an increase of 7 Professional and 14 General Service posts in the headquarters (New York) staff at a total cost of $1.4 million, after allowing for a vacancy factor of 12 man-months. According to paragraph 61 of the document, the proposed estimate for salaries and wages for established posts at headquarters and Geneva is $26.6 million. This reflects a total volume increase of $0.9 million to cover the net salaries of the 7 new international Professional and 14 new General Service posts.

24. The proposals of the Executive Director in this regard may be summarized as follows:

Programme I

	Estimated cost ($)
Internal Audit Unit	
1 D-1	133 100
1 P-4	100 600
2 G-4	84 800
Resource Development Unit	
1 G-4	42 400

Programme II

Information and External Relations Division	
1 P-3	85 600
1 G-5	51 800
Personnel Branch	
1 P-3	85,600
1 G-4	42,400
Finance Branch	
2 G-6	114,000
Procurement Branch	
1 G-6	57,000
1 TC-3	41,000

		Estimated cost ($)
Management Information Systems Unit		
1 P-4		100,600
1 P-5	Conversion from temporary to permanent	
1 P-3	- " -	
Training and Co-ordination Unit		
1 P-3		85,600
Planning and Statistics Unit		
1 G-4		42,400
	Programme III	
Maternal and Child Health and Family Planning Branch		
1 P-5		119,400
2 G-4		84,800
Division for Arab States and Europe		
1 G-6		57,000
Latin American and Caribbean Division		
1 G-6		57 000
Total estimated cost programmes I, II and III		1 344 100

25. The Committee notes that in accordance with the recommendations of the External Auditors, the Executive Director plans to establish an Internal Audit Unit, reporting directly to her, to be staffed by two Professional posts at the D-1 and P-4 levels and two General Service posts at the G-4 level. From additional information provided, the Committee notes that the estimated cost of these four posts is $318,500. The Executive Director explains that the establishment of such a unit is essential in view of increasing decentralization of decision-making to the field and the need to provide adequate audit coverage. The Advisory Committee agrees with the proposal and recommends the establishment of an Internal Audit Unit with the proposed four posts.

26. With regard to the proposed addition of a General Service post at the G-4 level in the Resource Development Unit (para. 29), the Committee does not see sufficient justification for an additional post.

27. The Executive Director is requesting the addition of an Information Officer (P-3) post and one support General Service post (G-5) in the Information and External Relations Division (para. 32). From the additional information provided by the representatives of the Executive Director, the Committee observes that the regular staff of the Division (IERD) is currently being supplemented by consultancy services. The Advisory Committee recommends that consultancy services be replaced by the establishment of one P-3 Information Officer post. The Committee does not recommend approval of the G-5 post.

28. The Advisory Committee agrees with the Executive Director's proposals as contained in paragraphs 33 to 35 and recommends approval of one P-3 and one G-4 post in the Personnel Branch and two G-6 posts in the Finance Branch. However, given that the Fund proposes to revise, upgrade and/or install office automation systems, the Committee does not recommend that the additional G-6 Procurement clerk and TC (messenger) posts as proposed in paragraph 36, be established at this time.

29. The Executive Director is requesting an additional post of Systems Analyst at the P-4 level and the conversion of two Professional temporary posts at the P-5 and P-3 posts to be converted to established posts in the Management Information Systems unit (para. 37). The Committee recalls that in the previous biennium it had recommended that all posts related to the MIS project be maintained as temporary posts, pending completion of the project. From the information provided by the representatives of the Executive Director, the Committeee believes that there is a justifiable need to convert the two temporary posts to established posts. However, the Committee does not believe that there is justification for a new P-4 post to be established, especially since the Unit which currently has seven posts, is also being supplemented by consultancy services.

30. Given the Executive Director's plans to expand the Fund's training and development activities, the Advisory Committee recommends approval of the P-3 Training and Coordination Officer post and has no objection to the transfer of one General Service G-4 post (para. 38). The Committee also endorses the proposal to establisn one General Service post at the G-4 level in the Planning and Statistics Unit (para. 39).

31. With regard to the proposals contained in paragraph 30, the Committee recommends approval of only one Professional post at the P-4 level for the Maternal and Child Health and Family Planning Branch. The Committee recalls that in the previous biennium it had endorsed the establishment of one P-5 Senior Technical Officer in the same branch. The Committee does not recommend the establishment of the two General Service posts as proposed in paragraph 30 of the document, and believes that attaining the same ratio of Professional to General Service staff "as in the other branches" is not a justification in itself.

32. Similarly, with regard to the proposals in paragraph 31, i.e. the establishment of two General Service posts at the G-6 level "in order to carry

out the additional programme and administrative functions that have been decentralized to the respective geographical divisions", the Committee believes that staff resources should have been decentralized concurrently. The Committee therefore does not recommend approval of these two posts.

33. Adoption of part or all of the recommendations of the Advisory Committee in paragraphs 21 to 28 above would entail reductions to the Fund's proposed APSS budget estimates for 1992-1993.

Authority of UNFPA in matters of personnel

34. From annex 2 of the document the Advisory Committee notes that the Executive Director is seeking delegation of authority from the Secretary-General with regard to matters concerning UNFPA personnel. Such authority would reflect the de jure and de facto status which the Fund already has in other areas within the United Nations system.

35. Pursuant to General Assembly resolutions 3019 (XXVII) of 18 December 1972 and 34/104 of 14 December 1979, which placed UNFPA under the Assembly's authority and affirmed that UNFPA had become a fully viable entity within the United Nations system and a subsidiary organ of the General Assembly, in practical terms this has meant that since 1972 the Executive Director of UNFPA has been reporting directly to the Governing Council, ECOSOC and the Second Committee of the General Assembly. In addition, since 1980 the Fund has been a full member of the Administrative Committee on Co-ordination (ACC), has its own aims and purposes as determined by ECOSOC in resolutions 1763 (LIV) and 1986/7, and has its own financial regulations and rules.

36. Since its inception in 1969, all UNFPA staff (with the exception of the Executive Director and two Deputy Executive Directors who are appointed by the Secretary-General) have been appointed and promoted by the UNDP Administrator. In view of the fact that under UNFPA's Financial Regulations the Executive Director is held fully responsible and accountable to the Governing Council for all aspects of UNFPA's operations, the Executive Director is requesting that she be given authority over matters concerning UNFPA personnel. This request would have no direct financial implications and in fact in future it would affect the amount of subvention paid by UNFPA to UNDP for personnel services. The Advisory Committee recommends approval of this request.

Reserve for Field Accommodation

37. Organizations of the Joint Consultative Group on Policy (JCGP) composed of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD) have been sharing, wherever possible, common premises and facilities in the field offices. In cases where construction of office accommodations is required, UNDP has been financing this from its Reserve for

Field Accommodation established by the Governing Council. From funds appropriated for rental of premises under the APSS budget, UNFPA has been paying UNDP for the space it occupies in all shared locations in the field. UNFPA has been advised by UNDP that funds earmarked by its Governing Council for construction have been used up and that, as in the case of other members of the JCGP, UNFPA would have to seek approval to establish its own Reserve for Field Accommodation.

38. Accordingly, as stated in document DP/1991/36/Add.1 the Executive Director proposes to establish under Financial Regulation 12.2(b), a Reserve for Field Accommodation at the level of $5 million for the 1992-1993 biennium. Such a reserve would be funded from general resources income and operate as a revolving fund to be replenished from amortized schedule of payments to be charged to the APSS budget appropriations for rental of premises of field offices. For the year 1992, $2.5 million would be earmarked for this reserve and an additional $2.5 million would be added in 1993. The Executive Director is also seeking authorization to make drawdowns from the Reserve, for financing UNFPA's share of construction costs of common premises. The Advisory Committee agrees with the Executive Director's proposals.